

Four Members of Congress Announce Formation of the "Spending Cuts and Deficit Reduction Working Group," Unveil Bills to Reduce Billions in Wasteful Spending

(Washington, DC) – Four Members of Congress today announced their formation of a new congressional "Spending Cuts and Deficit Reduction Working Group" and unveiled legislation to cut billions of dollars in wasteful spending from the federal budget. Gary Peters (D-MI), chairman of the new working group, Co-chair John Adler (D-NJ), and the groups' other founding members, Peter Welch (D-VT) and Jim Himes (D-CT), have each sponsored legislation to cut billions in wasteful discretionary spending and subsidies from the energy, treasury and housing and urban development, defense, and agriculture budgets. In total the package's spending cuts, ending of subsidies and closure of tax loopholes will reduce the deficit by over \$70 billion.

The four founding members announced the formation of the new Deficit Reduction Working Group and discussed their legislative package at a news conference at the Cannon House office building earlier today.

"Congress has to get serious about reducing the deficit now," said Peters. "Transforming the deficits generated over the past decade back into the surpluses of the 1990s will take rooting out and slashing wasteful spending. We have formed this work group to seek areas to cut billions in unwarranted spending and subsidies. It is our hope that the spending cuts we are presenting today are only the beginning of more deficit reduction measures to come. I'd like to thank my colleagues for joining me in founding the Deficit Reduction Work Group and for their work on this legislative package."

"Families, seniors and small businesses live within their means, and so should Washington. Congress must cut spending and reduce an out-of-control deficit," said Adler. "This legislative package will help pay down our debt by cutting spending, curbing waste and ending programs that do not work. I will continue to work in a common-sense, bipartisan way to force government to stop spending so much money."

"America faces two great economic challenges. In the short-term, we must revive our economy and create new jobs. In the long-term, we must get our nation's growing deficit under control," said Welch. "The \$70 billion in cuts we are proposing today are a down-payment on the deficit reduction measures that will be necessary to fortify our economy. The hard work of restoring the surpluses of the last decade will require us to leave no stone unturned."

"These bills start us on a path toward fiscal sustainability," said Himes. "We owe our children no less--our long-term success depends on our ability to get spending under control and better prioritize the use of federal resources."

Each member of the new working group has sponsored a bill cutting spending from a different area of the budget. Rep. Peters' bill cuts wasteful spending from the energy budget, Rep. Adler's cuts the Treasury and HUD budgets, Rep. Welch's eliminates outdated defense programs the Pentagon has asked to be terminated and Rep. Himes' bill cuts waste in the agriculture budget.

A summary of the Spending Cuts and Deficit Reduction Working Groups' legislation follows:

THE REDUCE ACTS OF 2010

PREPARED BY THE SPENDING CUTS AND DEFICIT REDUCTION WORKING GROUP

The Members of the Spending Cuts and Deficit Reduction Working Group have introduced a series of bills known as the Reduce and End our Deficits Using Commonsense Eliminations (REDUCE) Acts that will reduce spending, cut inefficient programs and eliminate or reduce costly industry subsidies across a range of programs. Together, the bills will generate savings of over \$72 billion (over ten years, \$7 billion in 2011 alone). Representative Gary Peters (D-MI), chairman of the new working group, Co-chair John Adler (D-NJ) and the groups' other founding members, Peter Welch (D-VT) and Jim Himes (D-CT), formed the group to prompt action to rein in spending, reduce persistent budget deficits and address the country's growing national debt.

1) Energy: REDUCE, in the Energy Programs Act of 2010

□□□□ **Sponsor:** Rep. Gary Peters

- Eliminates tax loopholes for oil companies and duplicative and unnecessary federal research and development dollars.
- Halts unnecessary expansion of the strategic petroleum reserve.
- Ends mandatory payments to states for abandoned mines.
- Sells federal power generating assets that can be effectively run by private sector utilities.

- **Saves an estimated \$3.88 billion in 2011 and \$58.92 billion over 10 years.**

2) Treasury and Housing: REDUCE, in the Treas-HUD and OPIC Programs Act of 2010**□□□□ Sponsor:**Rep. John Adler

- • Implements electronic pay stubs for Treasury employees and cuts millions of dollars in funding for the Bureau of Public Debt and the Financial Management Service.
- Re-values certain federal housing subsidies
- Eliminates the Advanced Earned Income Credit, which has a high error rate and is not widely utilized by eligible taxpayers.
- Eliminates the Overseas Private Investment Corporation, which subsidizes companies that invest abroad.
- **Saves an estimated \$169 million in 2011 and \$3.655 billion over 10 years**

3) Agriculture: REDUCE, in the Agriculture Programs Act of 2010**□□□□ Sponsor:**Rep. Jim Himes

- Eliminates duplicative and unnecessary programs, such as health care grants administered by the U.S. Department of Agriculture and subsidies for profitable private logging companies.
- Reduces commodity payments to wealthy farmers and cuts the federal reimbursement rate to private crop insurers.
- **Saves an estimated in \$469 million in 2011 and \$6.02 billion over 10 years.**

4) Defense: REDUCE, in the Defense Programs Act of 2010**□□□□ Sponsor:**Rep. Peter Welch

- Terminates three systems which the Department of Defense supports eliminating. Defense Department leaders are looking to cut \$100 billion over the next five fiscal years, and Congress should take the lead by cutting unnecessary spending that will not impact military readiness.
- Requires the Secretary of Defense to consolidate military exchanges which will yield significant efficiency savings.
- **Saves an estimated \$2.6 billion in 2011 and at least \$4.1 billion over 10 years**